



Silvaco Reports Third Quarter 2024 Financial Results

November 12, 2024

Expanded TCAD and digital twin modeling platform to planar CMOS, FinFET and advanced CMOS technologies

Signed 14 new customers as well as expanded our relationship with several existing customers across key markets including power, automotive, memory, foundry, and display.

In the first week of Q4, received a \$5.0 million follow-on order for FTCO™ digital-twin modeling product from a strategic memory customer

SANTA CLARA, Calif., Nov. 12, 2024 (GLOBE NEWSWIRE) -- Silvaco Group, Inc. (Nasdaq: SVCO) ("Silvaco" or the "Company"), a provider of TCAD, EDA software, and SIP solutions that enable innovative semiconductor design and digital twin modeling through AI software and automation, today announced its third quarter 2024 results.

"Our strategic focus on driving innovation through AI-enabled semiconductor design for advanced CMOS geometries and power semiconductors, which includes digital twin modeling, positions us well for long-term growth" said Dr. Babak Taheri, Silvaco's Chief Executive Officer. Dr. Taheri continued "We believe our strong business fundamentals and innovative product lines will continue to drive our customer momentum and growth trajectory."

Commenting on the financial results and outlook, Ryan Benton, Silvaco's Chief Financial Officer, added, "While Q3 revenues were impacted by the shift of a substantial \$5.0 million order received in the first week of Q4, we remain confident in our ability to achieve our revised full-year financial targets due to strong customer demand. We expect to regain momentum and execute on our long-term strategy by expanding our footprint across the key end markets as well as executing on the right strategic inorganic opportunities."

Business Highlights

- Acquired 14 new customers representing 14% of bookings and 11% of revenue for Q3.
- Expanded Victory TCAD and Digital Twin Modeling Platform to Planar CMOS, FinFET and advanced CMOS technologies. Newly released TCAD platform has been utilized by a strategic customer for the past few years and is now available for broad market adoption.
- Appointed Candace Jackson as SVP, General Counsel and Corporate Secretary.
- Silvaco was added to the Russell 2000®, Russell 3000®, and Russell Microcap® indexes in September 2024.
- Achieved ISO9001 Certification of our TCAD, EDA, and IP Products in October 2024.

In the first week of Q4, received a \$5.0 million follow-on order for FTCO™ digital-twin modeling product from a strategic memory customer. This order extends the footprint of our FTCO™ product line and further validates our strategic focus on this unique technology.

Third Quarter 2024 Financial Results

GAAP Financial Results

- Revenue of \$11.0 million, down 27% year-over-year and down 27% quarter-over-quarter impacted by the shift of the \$5.0 million order received in the fourth quarter and the delay in certain orders principally from China.
 - TCAD revenue of \$6.5 million, down 18% year-over-year.
 - EDA revenue of \$2.6 million, down 42% year-over-year.
 - SIP revenue of \$1.8 million, down 26% year-over-year.
- GAAP gross profit and GAAP gross margin were \$8.2 million and 75%, respectively, which includes the impact of \$313,000 stock-based compensation expense and \$249,000 amortization of purchased intangibles, down from \$12.7 million and 85% year over year.
- GAAP net loss of \$(6.6) million, compared to a GAAP net income of \$1.4 million in Q3 2023.
- GAAP basic and diluted net loss per share of \$(0.23).
- As of September 30, 2024, cash and cash equivalents and marketable securities totaled \$100.4 million.

Key Operating Indicators and Non-GAAP Financial Results:

- Gross bookings were \$9.9 million, down 21% year-over-year.
- As of September 30, 2024, remaining performance obligation balance of \$32.6 million, 48% of which is expected to be recognized as revenue in the next 12 months.
- Non-GAAP gross profit and non-GAAP gross margin were \$8.7 million and 80%, respectively, down from \$12.7 million and 85% year over year.
- Non-GAAP net loss of \$(1.8) million, compared to Non-GAAP net income of \$2.3 million in Q3 2023.
- Non-GAAP diluted net loss per share of \$(0.06).

For a discussion of the non-GAAP metrics presented in this press release, as well as a reconciliation of non-GAAP metrics to the nearest comparable GAAP metric, see "Discussion of Non-GAAP Financial Measures" and "GAAP to Non-GAAP Reconciliation" in the accompanying tables below.

Supplementary materials to this press release, including our third quarter 2024 financial results, can be found at <https://investors.silvaco.com/financial->

[information/quarterly-results](#).

Fourth Quarter and Full Year 2024 Financial Outlook

As of November 12, 2024, Silvaco is providing guidance for its fourth quarter of 2024 and its full-year 2024, which represents Silvaco's current estimates on its operations and financial results. The financial information below represents forward-looking financial information and in some instances forward-looking, non-GAAP financial information, including estimates of non-GAAP gross margin and non-GAAP operating income. GAAP gross margin is the most comparable GAAP measure to non-GAAP gross margin, and GAAP operating income is the most comparable GAAP measure to non-GAAP operating income. Non-GAAP operating income differs from GAAP operating income in that it excludes items such as certain transaction-related costs, IPO preparation costs, estimated acquisition-related litigation claims and costs, stock-based compensation, amortization of acquired intangible assets, impairment charges and executive severance costs. Silvaco is unable to predict with reasonable certainty the ultimate outcome of these exclusions without unreasonable effort. Therefore, Silvaco has not provided guidance for GAAP gross margin or GAAP operating income or a reconciliation of the forward-looking non-GAAP gross margin or non-GAAP operating income guidance to GAAP gross margin or GAAP operating income, respectively. However, it is important to note that these excluded items could be material to our results computed in accordance with GAAP in future periods.

Based on current business trends and conditions, the Company expects for fourth quarter 2024 the following:

- Gross bookings in the range of \$18.5 million to \$21.5 million, which would represent a 19% to 38% increase from the fourth quarter of 2023.
- Revenue in the range of \$18.1 million to \$21.2 million, which would represent a 45% to 70% increase from the fourth quarter of 2023.
- Non-GAAP gross margin to be in the range of 85% to 87%, increased from 79% in the fourth quarter of 2023.
- Non-GAAP operating income in the range of \$2.6 million to \$5.6 million, increased from the loss of \$1.6 million in the fourth quarter of 2023.

For full year 2024, the Company expects:

- Gross bookings of \$64.0 million to \$67.0 million, which would represent a 10% to 15% increase from 2023.
- Revenue of \$60.0 million to \$63.0 million, which would represent a 11% to 16% increase from 2023.
- Non-GAAP gross margin to be in the range of 85% to 87%, increased from 83% in 2023.
- Non-GAAP operating income of \$5.0 million to \$8.0 million, which would represent a 14% to 82% increase from 2023.

Q3 2024 Conference Call Details

A press release highlighting the Company's results along with supplemental financial results will be available at <https://investors.silvaco.com/> along with an earnings presentation to accompany management's prepared remarks on the day of the conference call, after market close. An archived replay of the conference call will be available on this website for a limited time after the call. Participants who want to join the call and ask a question may register for the call [here](#) to receive the dial-in numbers and unique PIN.

Date: Tuesday, November 12, 2024

Time: 5:00 p.m. Eastern time

Webcast: [Here](#) (live and replay)

About Silvaco

Silvaco is a provider of TCAD, EDA software, and SIP solutions that enable semiconductor design and digital twin modeling through AI software and innovation. Silvaco's solutions are used for semiconductor and photonics processes, devices, and systems development across display, power devices, automotive, memory, high performance compute, foundries, photonics, internet of things, and 5G/6G mobile markets for complex SoC design. Silvaco is headquartered in Santa Clara, California, and has a global presence with offices located in North America, Europe, Brazil, China, Japan, Korea, Singapore, and Taiwan.

Safe Harbor Statement

This press release contains forward-looking statements based on Silvaco's current expectations. The words "believe", "estimate", "expect", "intend", "anticipate", "plan", "project", "will", and similar phrases as they relate to Silvaco are intended to identify such forward-looking statements. These forward-looking statements reflect the current views and assumptions of Silvaco and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations.

These forward-looking statements include but are not limited to, statements regarding our future operating results, financial position, and guidance, our business strategy and plans, our objectives for future operations, our development or delivery of new or enhanced products, and anticipated results of those products for our customers, our competitive positioning, projected costs, technological capabilities, and plans, and macroeconomic trends.

A variety of risks and factors that are beyond our control could cause actual results to differ materially from those in the forward-looking statements including, without limitation, the following: (a) market conditions; (b) anticipated trends, challenges and growth in our business and the markets in which we operate; (c) our ability to appropriately respond to changing technologies on a timely and cost-effective basis; (d) the size and growth potential of the markets for our software solutions, and our ability to serve those markets; (e) our expectations regarding competition in our existing and new markets; (f) the level of demand in our customers' end markets; (g) regulatory developments in the United States and foreign countries; (h) changes in trade policies, including the imposition of tariffs; (i) proposed new software solutions, services or developments; (j) our ability to attract and retain key management personnel; (k) our customer relationships and our ability to retain and expand our customer relationships; (l) our ability to diversify our customer base and develop relationships in new markets; (m) the strategies, prospects, plans, expectations, and objectives of management for future operations; (n) public health crises, pandemics, and epidemics and their effects on our business and our customers' businesses; (o) the impact of the current conflicts between Ukraine and Russia and Israel and Hamas and the ongoing trade disputes among the United States and China on our business, financial condition or prospects, including extreme volatility in the global capital markets making debt or equity financing more difficult to obtain, more costly or more dilutive, delays and disruptions of the global supply chains and the business activities of our suppliers, distributors, customers and other business partners; (p) changes in general economic or business conditions or economic or demographic trends in the United States and foreign countries including changes in interest rates and inflation; (q) our ability to raise additional capital; (r) our ability to accurately forecast demand for our software solutions; (s) our expectations regarding the outcome of any ongoing litigation; (t) our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act and as a smaller reporting company

under the Exchange Act; (u) our expectations regarding our ability to obtain, maintain, protect and enforce intellectual property protection for our technology; (v) our status as a controlled company; and (w) our use of the net proceeds from our initial public offering.

It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results or outcomes to differ materially from those contained in any forward-looking statements we may make. Accordingly, you should not rely on any of the forward-looking statements. Additional information relating to the uncertainty affecting the Silvaco's business is contained in Silvaco's filings with the Securities and Exchange Commission. These documents are available on the SEC Filings section of the Investor Relations section of Silvaco's website at <http://investors.silvaco.com/>. These forward-looking statements represent Silvaco's expectations as of the date of this press release. Subsequent events may cause these expectations to change, and Silvaco disclaims any obligations to update or alter these forward-looking statements in the future, whether as a result of new information, future events or otherwise.

Discussion of Non-GAAP Financial Measures

We use certain non-GAAP financial measures to supplement the performance measures in our consolidated financial statements, which are presented in accordance with GAAP. These non-GAAP financial measures include non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP operating margin, non-GAAP net income (loss), and non-GAAP net income (loss) per share. We use these non-GAAP financial measures for financial and operational decision-making and as a means to assist us in evaluating period-to-period comparisons.

We define non-GAAP gross profit and non-GAAP gross margin as our GAAP gross profit and GAAP gross margin adjusted to exclude certain costs, including stock-based compensation and amortization of acquired intangible assets. We define non-GAAP operating expenses, non-GAAP operating income (loss), and non-GAAP operating margin as our GAAP operating expenses, GAAP operating income (loss), and GAAP operating margin, in each case, adjusted to exclude certain costs, including certain transaction-related costs, IPO preparation costs, estimated acquisition-related litigation claims and costs, stock-based compensation, amortization of acquired intangible assets, impairment charges, and executive severance costs. We define non-GAAP net income (loss) as our GAAP net income (loss) adjusted to exclude certain costs, including certain transaction-related costs, IPO preparation costs, estimated acquisition-related litigation claims and costs, stock-based compensation, amortization of acquired intangible assets, impairment charges, executive severance costs, change in fair value of contingent consideration, foreign exchange (gain) loss, loss on extinguishment of debt, and the income tax effect on non-GAAP items. Our non-GAAP net income (loss) per share is calculated in the same way as our non-GAAP net income (loss), but on a per share basis. We monitor non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP operating margin, non-GAAP net income (loss) and non-GAAP net income (loss) per share as non-GAAP financial measures to supplement the financial information we present in accordance with GAAP to provide investors with additional information regarding our financial results.

Certain items are excluded from our non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP operating margin, non-GAAP net income (loss) and non-GAAP net income (loss) per share because these items are non-cash in nature or are not indicative of our core operating performance and render comparisons with prior periods and competitors less meaningful. We adjust GAAP gross profit, GAAP gross margin, GAAP operating expenses, GAAP operating income (loss), GAAP operating margin, and net income (loss) for these items to arrive at non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP operating margin, and non-GAAP net income (loss) because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structure and the method by which the assets were acquired. By excluding certain items that may not be indicative of our recurring core operating results, we believe that non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP operating margin, non-GAAP net income (loss) and non-GAAP net income (loss) per share, provide meaningful supplemental information regarding our performance.

We believe these non-GAAP financial measures are useful to investors and others because they allow for additional information with respect to financial measures used by management in its financial and operational decision-making and they may be used by our institutional investors and the analyst community to help them analyze our financial performance and the health of our business. However, there are a number of limitations related to the use of non-GAAP financial measures, and these non-GAAP measures should be considered in addition to, not as a substitute for or in isolation from, our financial results prepared in accordance with GAAP. Other companies, including companies in our industry, may calculate these non-GAAP financial measures differently or not at all, which reduces their usefulness as comparative measures.

SILVACO GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, in thousands except share and par value amounts)

| | <u>September 30,</u> | <u>December 31,</u> |
|---|----------------------|---------------------|
| | <u>2024</u> | <u>2023</u> |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 26,606 | \$ 4,421 |
| Short-term marketable securities | 73,782 | - |
| Accounts receivable, net | 5,037 | 4,006 |
| Contract assets, net | 9,949 | 8,749 |
| Prepaid expenses and other current assets | 3,215 | 2,549 |
| Deferred transaction costs | - | 1,163 |
| Total current assets | <u>118,589</u> | <u>20,888</u> |
| Property and equipment, net | 843 | 591 |
| Operating lease right-of-use assets, net | 2,045 | 1,963 |
| Intangible assets, net | 4,660 | 342 |
| Goodwill | 9,026 | 9,026 |
| Long-term portion of contract assets, net | 9,456 | 6,250 |
| Other assets | 1,836 | 1,825 |
| Total long-term assets | <u>27,866</u> | <u>19,997</u> |
| Total assets | <u>\$ 146,455</u> | <u>\$ 40,885</u> |

| | | | |
|--|--|-------------------|------------------|
| Liabilities and stockholders' equity | | | |
| Current liabilities: | | | |
| Accounts payable | | \$ 4,197 | \$ 2,495 |
| Accrued expenses and other current liabilities | | 23,309 | 10,255 |
| Accrued income taxes | | 2,445 | 1,626 |
| Deferred revenue, current | | 7,784 | 7,882 |
| Operating lease liabilities, current | | 855 | 735 |
| Related party line of credit | | - | 2,000 |
| Vendor financing obligation, current | | 1,853 | - |
| Total current liabilities | | <u>40,443</u> | <u>24,993</u> |
| Long-term liabilities: | | | |
| Deferred revenue, non-current | | 3,241 | 5,071 |
| Operating lease liabilities, non-current | | 1,172 | 1,198 |
| Vendor financing obligation, non-current | | 2,738 | - |
| Other long-term liabilities | | 211 | 221 |
| Total liabilities | | <u>47,805</u> | <u>31,483</u> |
| Commitments and contingencies | | | |
| Stockholders' equity | | | |
| Preferred stock, \$0.0001 par value; 10,000,000 shares authorized, no shares issued and outstanding as of September 30, 2024; no shares authorized, issued and outstanding as of December 31, 2023 | | - | - |
| Common stock, \$0.0001 par value; 500,000,000 shares authorized; 26,294,217 shares issued and outstanding as of September 30, 2024; 25,000,000 shares authorized; 20,000,000 shares issued and outstanding as of December 31, 2023 | | 3 | 2 |
| Additional paid-in capital | | 132,244 | - |
| (Accumulated deficit) Retained earnings | | (32,169) | 11,392 |
| Accumulated other comprehensive loss | | (1,428) | (1,992) |
| Total stockholders' equity | | <u>98,650</u> | <u>9,402</u> |
| Total liabilities and stockholders' equity | | <u>\$ 146,455</u> | <u>\$ 40,885</u> |

SILVACO GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) INCOME
(Unaudited, in thousands except share and per share amounts)

| | Three months Ended September 30, | | Nine months Ended September 30, | |
|--|----------------------------------|-----------------|---------------------------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue: | | | | |
| Software license revenue | \$ 6,840 | \$ 11,083 | \$ 30,121 | \$ 30,593 |
| Maintenance and service | 4,132 | 3,861 | 11,700 | 11,167 |
| Total revenue | <u>10,972</u> | <u>14,944</u> | <u>41,821</u> | <u>41,760</u> |
| Cost of revenue | <u>2,786</u> | <u>2,274</u> | <u>9,620</u> | <u>6,672</u> |
| Gross profit | 8,186 | 12,670 | 32,201 | 35,088 |
| Operating expenses: | | | | |
| Research and development | 4,134 | 3,289 | 15,457 | 9,833 |
| Selling and marketing | 3,834 | 3,139 | 14,317 | 8,874 |
| General and administrative | 7,128 | 4,500 | 30,042 | 13,311 |
| Estimated litigation claim | 392 | - | 15,088 | - |
| Total operating expenses | <u>15,488</u> | <u>10,928</u> | <u>74,904</u> | <u>32,018</u> |
| Operating (loss) income | (7,302) | 1,742 | (42,703) | 3,070 |
| Loss on debt extinguishment | - | - | (718) | - |
| Interest income | 1,217 | 1 | 1,899 | 4 |
| Interest and other (expense) income, net | (278) | 37 | (832) | (535) |
| (Loss) income before income tax provision | <u>(6,363)</u> | <u>1,780</u> | <u>(42,354)</u> | <u>2,539</u> |
| Income tax provision | 188 | 332 | 1,207 | 608 |
| Net (loss) income | <u>\$ (6,551)</u> | <u>\$ 1,448</u> | <u>\$ (43,561)</u> | <u>\$ 1,931</u> |
| (Loss) earnings per share attributable to common stockholders: | | | | |
| Basic and diluted | \$ (0.23) | \$ 0.07 | \$ (1.77) | \$ 0.10 |
| Weighted average shares used in computing per share amounts: | | | | |
| Basic and diluted | 29,048,080 | 20,000,000 | 24,633,030 | 20,000,000 |

SILVACO GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

| | Nine Months Ended September 30, | |
|--|--|-----------------|
| | 2024 | 2023 |
| Cash flows from operating activities: | | |
| Net (loss) income | \$ (43,561) | \$ 1,931 |
| Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities: | | |
| Depreciation and amortization | 903 | 456 |
| Stock based compensation expense | 24,388 | - |
| Provision for credit losses | 154 | 198 |
| Estimated litigation claim | 15,088 | - |
| Loss on debt extinguishment | 718 | - |
| Accretion of discount on marketable securities, net | (905) | - |
| Change in fair value of contingent consideration | (18) | 332 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (1,336) | (443) |
| Contract assets | (4,479) | (4,560) |
| Prepaid asset and other current assets | (479) | 183 |
| Other assets | (12) | - |
| Accounts payable | 1,022 | (404) |
| Accrued expenses | (2,396) | 402 |
| Accrued income taxes | 836 | 475 |
| Deferred revenue | (1,887) | 1,497 |
| Other current liabilities | 1,288 | 869 |
| Other long-term liabilities | 9 | (605) |
| Net cash (used in) provided by operating activities | <u>(10,667)</u> | <u>331</u> |
| Cash flows from investing activities: | | |
| Purchases of marketable securities | (81,608) | - |
| Maturities of marketable securities | 9,000 | - |
| Purchases of property and equipment | (344) | (215) |
| Net cash used in investing activities | <u>(72,952)</u> | <u>(215)</u> |
| Cash flows from financing activities: | | |
| Proceeds from initial public offering, net of underwriting fees | 106,020 | - |
| Proceed from issuance of convertible note, net of debt issuance costs | 4,852 | - |
| Proceeds from loan facility | 4,250 | - |
| Repayment of loan facility | (4,250) | - |
| Repayment of 2022 line of credit | (2,000) | - |
| Deferred transaction costs | (2,649) | (33) |
| Payments of vendor financing obligation | (600) | - |
| Contingent consideration | (74) | (986) |
| Net cash provided by (used in) financing activities | <u>105,549</u> | <u>(1,019)</u> |
| Effect of exchange rate fluctuations on cash and cash equivalents | <u>255</u> | <u>(262)</u> |
| Net increase (decrease) in cash and cash equivalents | 22,185 | (1,165) |
| Cash and cash equivalents, beginning of period | 4,421 | 5,478 |
| Cash and cash equivalents, end of period | <u>\$ 26,606</u> | <u>\$ 4,313</u> |

SILVACO GROUP, INC.
(Unaudited, in thousands)

| | 2023 | | | | | 2024 | | |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Q1 | Q2 | Q3 | Q4 | Year | Q1 | Q2 | Q3 |
| Revenue by Product Line: | | | | | | | | |
| TCAD | 62% | 62% | 52% | 62% | 59% | 66% | 69% | 59% |
| EDA | 29% | 20% | 31% | 22% | 26% | 30% | 20% | 24% |
| IP | 9% | 18% | 17% | 16% | 15% | 4% | 11% | 17% |
| Total revenue | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Revenue Item Category: | | | | | | | | |
| Software license revenue | 75% | 71% | 74% | 70% | 73% | 77% | 74% | 62% |
| Maintenance and service | 25% | 29% | 26% | 30% | 27% | 23% | 26% | 38% |

Total revenue 100% 100% 100% 100% 100% 100% 100% 100%

SILVACO GROUP, INC.
GAAP to Non-GAAP Reconciliation
(Unaudited, in thousands except per share amounts)

| Reconciliation GAAP to Non-GAAP | Three Months Ended | | Nine Months Ended | |
|---|--------------------|------------------|--------------------|------------------|
| | 9/30/2024 | 9/30/2023 | 9/30/2024 | 9/30/2023 |
| GAAP Cost of revenue | \$ 2,786 | \$ 2,274 | \$ 9,620 | \$ 6,672 |
| Less: Stock based compensation expense | (313) | - | (2,780) | - |
| Less: Amortization of acquired intangible assets | (249) | - | (498) | - |
| Non-GAAP Cost of revenue | \$ 2,224 | \$ 2,274 | \$ 6,342 | \$ 6,672 |
| GAAP Gross profit | \$ 8,186 | \$ 12,670 | \$ 32,201 | \$ 35,088 |
| Add: Stock based compensation expense | 313 | - | 2,780 | - |
| Add: Amortization of acquired intangible assets | 249 | - | 498 | - |
| Non-GAAP Gross profit | \$ 8,748 | \$ 12,670 | \$ 35,479 | \$ 35,088 |
| GAAP Research and development | \$ 4,134 | \$ 3,289 | \$ 15,457 | \$ 9,833 |
| Less: Stock based compensation expense | (491) | - | (4,556) | - |
| Less: Amortization of acquired intangible assets | (46) | (82) | (163) | (257) |
| Non-GAAP Research and development | \$ 3,597 | \$ 3,207 | \$ 10,738 | \$ 9,576 |
| GAAP Sales and marketing | \$ 3,834 | \$ 3,139 | \$ 14,317 | \$ 8,874 |
| Less: Stock based compensation expense | (379) | - | (3,931) | - |
| Less: IPO preparation costs | - | - | (178) | - |
| Non-GAAP Sales and marketing | \$ 3,455 | \$ 3,139 | \$ 10,208 | \$ 8,874 |
| GAAP General and administrative | \$ 7,128 | \$ 4,500 | \$ 30,042 | \$ 13,311 |
| Less: Stock based compensation expense | (1,376) | - | (13,121) | - |
| Less: Acquisition-related estimated litigation claim and legal costs | (1,491) | (723) | (4,106) | (1,192) |
| Less: IPO preparation costs | - | (197) | (695) | (1,176) |
| Non-GAAP General and administrative | \$ 4,261 | \$ 3,580 | \$ 12,120 | \$ 10,943 |
| GAAP Estimated litigation claim | \$ 392 | \$ - | \$ 15,088 | \$ - |
| Less: Acquisition-related estimated litigation claim and legal costs | (392) | - | (15,088) | - |
| Non-GAAP Litigation claim | \$ - | \$ 0 | \$ - | \$ - |
| GAAP Operating expenses | \$ 15,488 | \$ 10,928 | \$ 74,904 | \$ 32,018 |
| Less: Stock based compensation expense | (2,246) | - | (21,608) | - |
| Less: Acquisition-related estimated litigation claim and legal costs | (1,883) | (723) | (19,194) | (1,192) |
| Less: IPO preparation costs | - | (197) | (873) | (1,176) |
| Less: Amortization of acquired intangible assets | (46) | (82) | (163) | (257) |
| Non-GAAP Operating expenses | \$ 11,313 | \$ 9,926 | \$ 33,066 | \$ 29,393 |
| GAAP (Loss) income from operations | \$ (7,302) | \$ 1,742 | \$ (42,703) | \$ 3,070 |
| Add: Stock based compensation expense | 2,559 | - | 24,388 | - |
| Add: Acquisition-related estimated litigation claim and legal costs | 1,883 | 723 | 19,194 | 1,192 |
| Add: IPO preparation costs | - | 197 | 873 | 1,176 |
| Add: Amortization of acquired intangible assets | 295 | 82 | 661 | 257 |
| Non-GAAP (Loss) income from operations | \$ (2,565) | \$ 2,744 | \$ 2,413 | \$ 5,695 |
| GAAP Net (loss) income | \$ (6,551) | \$ 1,448 | \$ (43,561) | \$ 1,931 |
| Add: Stock based compensation expense | 2,559 | - | 24,388 | - |
| Add: Amortization of acquired intangible assets | 295 | 82 | 661 | 257 |
| Add: Acquisition-related estimated litigation claim and legal costs | 1,883 | 723 | 19,194 | 1,192 |
| Add: IPO preparation costs | - | 197 | 873 | 1,176 |
| Add: Loss on debt extinguishment | - | - | 718 | - |
| Add: Change in fair value of consideration | - | (9) | (18) | 332 |
| Add: Foreign exchange (gain) loss | 174 | (77) | 418 | 338 |
| Add: Income tax effect of non-GAAP adjustment | (189) | (38) | (265) | (142) |
| Non-GAAP Net (loss) income | \$ (1,829) | \$ 2,326 | \$ 2,408 | \$ 5,084 |
| GAAP Net (loss) income per share: | | | | |
| Basic and diluted: | \$ (0.23) | \$ 0.07 | \$ (1.77) | \$ 0.10 |
| Non-GAAP Net (loss) income per share: | | | | |
| Basic | \$ (0.06) | \$ 0.12 | \$ 0.10 | \$ 0.25 |
| Diluted | \$ (0.06) | \$ 0.12 | \$ 0.09 | \$ 0.25 |
| Weighted average shares used in GAAP and non-GAAP net (loss) income per share: | | | | |
| Basic | 29,048,080 | 20,000,000 | 24,633,030 | 20,000,000 |

Diluted

29,048,080 20,000,000 26,244,892 20,000,000

Investor Contact:

Greg McNiff
investors@silvaco.com

Media Contact:

Tyler Weiland
press@silvaco.com